

## Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 TRSE-00 FEA-01 AGRE-00  
CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05  
SS-15 STR-04 ITC-01 USIA-06 PRS-01 SP-02 OMB-01  
GSA-02 IO-13 /102 R

DRAFTED BY EB/OT/STA:MCJONES:JH  
APPROVED BY EB/OT/STA:JSSPIRO  
TREAS:RSELF (SUBS)  
EUR/WE:MDURKEE(SUBS)  
-----161141Z 105305 /14  
R 160051Z APR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY MADRID

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E.O. 11652: N/A

TAGS: ETRD, SP

SUBJECT: COUNTERVAILING DUTY INVESTIGATION -- ZINC FROM  
SPAIN

REF: A) STATE 83253 B) STATE 77739

1. AS MENTIONED PARA 4 OF REF A, SPANISH EMBASSY PRESENTED  
NOTE 74 TO DEPARTMENT APRIL 7 AND TO TREASURY APRIL 8.  
TEXT OF NOTE HAS BEEN POUCHED. THE NOTE EXPRESSES "SERIOUS  
CONCERN" THAT TREASURY MIGHT MAKE "PREMATURE DECISION" IN  
THE ZINC CASE WITH THE FOLLOWING POINTS:

A) JANUARY 20-21 MEETINGS AND MARCH 14 JOINT ECONOMIC  
COMMITTEE MEETING DID NOT MAKE CLEAR THAT TREASURY  
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WOULD ACT ON ZINC WITHOUT TAKING INTO ACCOUNT ALL THE  
SPANISH ARGUMENTS. SPANISH MINISTRIES OF FINANCE AND  
COMMERCE HAD ADVISED EMBASSY THAT THEY ARE READY TO  
PROVIDE NEW INFORMATION ON SPANISH EXPORT REBATE SYSTEM  
BUT WERE AWAITING END OF EASTER HOLIDAYS BEFORE REQUESTING  
MEETINGS.

B) TREASURY DEPUTY ASSISTANT SECRETARY PETER SUCHMAN WROTE COUNSELOR SIERRA ON JANUARY 13, 1977 THAT TREASURY WOULD CONSULT WITH THE GOS BEFORE TAKING EXPEDITIOUS

ACTION IN THE ZINC CASE. THEREFORE IT WOULD BE SURPRISING IF TREASURY ADVANCES THE DECISION WHEN THE GOS IS READY TO HOLD CONSULTATIONS.

C) THE REASON GIVEN FOR AN ADVANCED DECISION IS THAT MASSIVE SHIPMENTS OF ZINC ARE BEING MADE. ACCORDING TO NOTE, HOWEVER, SHIPMENTS ARE LOWER THAN SAME PERIOD LAST YEAR. IN JANUARY-APRIL 1976, SPAIN EXPORTED 15,743 TONS OF ZINC TO THE U.S. WHEREAS TO DATE IN 1977 EXPORTS HAVE NOT REACHED 10,000 TONS AND "IT SEEMS THAT NO OTHER SHIPMENTS WILL BE MADE BEFORE THIS MONTH IS OVER." EVEN IF SHIPMENTS WERE MADE IN APRIL AND MAY IT WOULD BE DIFFICULT TO EXCEED ON MAY 31, 1977, THE 21,255 TONS REACHED ON MAY 31, 1976. THE U.S. IMPORTED 50 PERCENT OF DOMESTIC CONSUMPTION OF ZINC IN 1976 WHILE SPAIN REPRESENTED ONLY FOUR PERCENT OF U.S. IMPORTS.

FULL TEXT HAS BEEN POUCHED. AT TIME NOTE RECEIVED TREASURY DECISION HAD ALREADY BEEN ANNOUNCED.

2. THE SUCHMAN-SIERRA LETTER OF JANUARY 13, 1977, REFERRED TO IN PARA B WAS A REPLY TO A REQUEST FOR A THIRTY DAY EXTENSION BEYOND JANUARY 21 FOR THE SUBMISSION OF WRITTEN VIEWS IN THE ZINC CASE. THE SECOND PARAGRAPH FOLLOWS: BEGIN TEXT:  
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IT IS OUR PRACTICE IN COUNTERVAILING DUTY INVESTIGATIONS TO CONTINUE TO RECEIVE AND CONSIDER SUBMISSIONS FROM INTERESTED PARTIES UNTIL A FINAL DETERMINATION IS MADE. THEREFORE, EVEN THOUGH THE FORMAL PERIOD FOR COMMENT EXPIRES ON JANUARY 21, 1977, WE WILL BE PLEASED TO RECEIVED THE VIEWS OF THE SPANISH GOVERNMENT, WHETHER WRITTEN OR ORAL, ON THIS MATTER AFTER THAT DATE. WHILE THE FINAL DETERMINATION COULD BE MADE AT ANY TIME AFTER JANUARY 21 AS CONDITIONS DICTATE, WE DO NOT AT THIS TIME ANTICIPATE A DECISION BEFORE THE END OF FEBRUARY, AT THE EARLIEST. IN THE EVENT THAT SUCH EXPEDITIOUS ACTION WERE WARRANTED WE WOULD CONSULT WITH THE GOVERNMENT OF SPAIN BEFOREHAND. END TEXT.

DURING THE MEETINGS IN MADRID THE FOLLOWING WEEK DAS SUCHMAN EXPLAINED TREASURY'S CONCERN ABOUT SHIPMENTS OF SPANISH ZINC PRIOR TO THE STATUTORY DEADLINE.  
CHRISTOPHER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
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**TAGS:** ETRD, SP, US  
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**Type:** TE  
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**Review Markings:**  
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